

A Little Note From Steve Zitta



To: All WSA & NSA RBMs  
From: Steve Zitta  
Re: Shopping Basket Study  
Date: 8-1-96

Attached is a study that was completed by 'RBM buddy' Conner Kennedy a few years ago in United Dairy Farmers. This type of analysis is called shopping basket analysis in the category management world. This study is unique in that I do not believe any other study like this exists in a CG type of outlet. A key point that the study finds is, RJR smokers spend about \$4.30 more per trip than other cigarette shoppers. If a retailer has on average a 15% margin on these other items sold to a RJR smoker - then the retailer would make \$.65 more per RJR smoker purchasing the category than from a competitive smoker.

I thought that this might be useful in helping you build a knowledge base about what resources are at your disposal. Additionally, this may provide useful in selling and maintaining accounts on co-existence (By the way I think UDF is now a PM exclusive account). This copy is a little dark as it comes from BIC's old system of storing research reports. Call with any questions or other thoughts.

Regards,

Steve Zitta

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